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National Intelligence Bulletin

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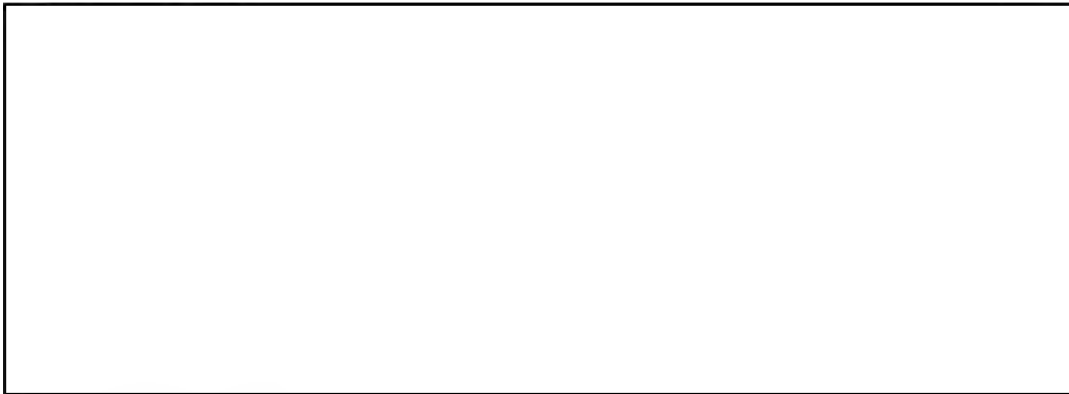
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LEBANON

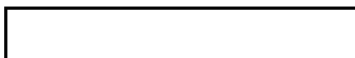
Lebanese political leaders continued their search over the weekend for an acceptable successor to President Franjiyah in order to break the deadlock between supporters of Ilyas Sarkis and Raymond Edde before the May 8 presidential election by parliament.

The speaker of parliament, Kamal Asad, reportedly is moving to sound out Christian and Muslim leaders—including Edde's major backer, leftist leader Kamal Jumblatt—on a possible compromise candidate. A number of deputies reportedly will travel to Damascus early this week to discuss the presidential succession race with Syrian leaders—who favor Sarkis.

Cease-fire violations, meanwhile, increased over the weekend in Beirut, where Christian and Muslim militias skirmished and exchanged artillery and rocket fire. The fighting was particularly severe in the capital's port area, where Lebanese radical leftists and Palestinian rejectionists reportedly attacked Christian positions. Some fighting was also reported in eastern and northern Lebanon.

The joint Lebanese-Syrian-Palestinian military committee chaired by Lebanese Prime Minister Karami met over the weekend in an unsuccessful effort to halt the truce violations. It is scheduled to meet again tomorrow, but it can realistically hope only to effect a reduction in the intensity of the fighting.

The kidnaping last Friday of Interior Minister Shamun's nephew, moreover, could spark serious Christian-initiated violence if, as is rumored, he has been killed by his abductors.



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AZORES-PORTUGAL

Portugal's apparent failure to meet the latest Azorean demands for regional autonomy could result this week in strong local protest demonstrations, as well as a possible rekindling of separatist activities in the islands.

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the provisional statute of autonomy approved last week by the Council of Ministers incorporates unacceptable changes into the original draft statute submitted to Prime Minister Azevedo by the Azorean regional junta in mid-February.

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The revised statute reportedly:

- Eliminates the right of Azoreans on the mainland and outside of Portugal to vote in local Azorean elections.
- Alters the carefully formulated plan for representation in the regional assembly, which is to be elected by June 30.
- Changes provisions relating to Azorean participation in negotiations with the US over base rights in the Azores.
- Alters the financial and planning provisions of the statute.

Azorean leaders are reserving final judgment until the text of the document is received sometime today, but if the provisions are as reported, representatives of the local Popular Democratic Party—the strongest in the archipelago—have said they will walk out of the regional junta and call for mass demonstrations.

General Altino de Magalhaes, the popular Portuguese military governor and head of the regional junta, also has warned authorities in Lisbon that he is planning to resign in protest if the statute contains substantial changes.

In the past, inadequate communications have tended to magnify differences between the islands and the mainland, but should the threatened walkouts occur, they could set the stage for a whole new round of confrontations over the autonomy issue. Extremists in the independence-minded Azorean Liberation Front—who have taken a back seat during the current negotiations—will almost certainly attempt to capitalize on any such expressions of open opposition to the mainland.

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CHINA

All of the active Peking-based Politburo members except Mao appeared in the capital for May Day festivities. Radio Peking listed them in their usual order of rank, indicating no changes in the leadership hierarchy.

In keeping with past May Day practices, the leadership broke up into small groups to attend celebrations in Peking's various parks. The groups were composed of a careful mix of moderate and leftist leaders in what appeared to be a calculated show of unity in the wake of the ouster of Teng Hsiao-ping.

This was the first time, for example, that leading moderates Chu Te, Yeh Chien-ying, and Li Hsien-nien—all staunch supporters of Teng—had appeared with leftists in the leadership since Teng's fall. The three moderates had appeared individually on previous occasions.

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JAPAN: Tokyo took a step toward formally ratifying the Nuclear Non-Proliferation Treaty last week when the lower house of the Diet approved the treaty and sent it to the upper house. This is the furthest the formal ratification process has proceeded since Japan signed the accord six years ago, but prospects for passage in the upper house—where opposition to the bill centers—remain dim. The government could seek to take advantage of an extension of the current Diet session to allow for the necessary 30 days for automatic approval without a vote in the upper house. Any extension, however, will likely come only if the government encounters difficulty securing passage of urgently needed fiscal measures now pending in the Diet.

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PANAMA: Panama is maintaining a hard public line concerning alleged violations of its territorial waters by US fishing boats. The Torrijos government has officially demanded payment of \$100,000 in fines for each of the two US vessels now anchored in Canal Zone waters. Privately, the government has indicated it is willing instead to issue two "extraordinary licenses" to the boats—for \$100,000 each. This would be a legal nicety to avoid the possibility of US sanctions; US legislation stipulates that fines levied against US fishing boats be deducted from foreign aid funds. Even with a new treaty negotiating round now getting under way, Panama appears prepared to seize the two vessels when they leave the jurisdiction of the Canal Zone.

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